

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: August 11, 2021
RE: Exterior Improvement Grant Request, 694 - 704 Madison Ave.

The enclosed Exterior Improvement Grant application has been submitted for consideration at the August 18, 2021, CCDC Board Meeting.

Project: 694 - 704 Madison Ave. (Orleans Station Retail)

Applicant: Alex Turley
65 Union Ave.
Suite #1200
Memphis, TN 38103

Applicant's Request: Exterior Improvement Grant in an amount up to \$80,000.

Project Description: The subject property is a one-story vacant retail building located on the north side of Madison Ave. between N. Orleans St. and N. Manassas St. The former shopping strip once housed Trolley Stop Market, Spincult, C. Tatum's Signature Salon and OtherFoods Kitchen (home to Benefizz and Dave's Bagels). The 11,912 sq. ft. building will be re-purposed as a multi-tenant retail development focused on health and wellness.

The University of Tennessee Health Science Center (UTHSC) has engaged Henry Turley Company (HTC) and ComCap Partners to develop 10 acres as part of the UTHSC's Master Plan. Orleans Station Retail will bring restaurants, shops, and amenities to the area. The plaza on Madison, opposite Orleans Station Retail, will provide parking for customers.

The exterior improvement scope of work includes site improvements such as new fencing, gates, landscaping, new sidewalks, trolley stop improvements and a retaining wall. The exterior building improvements include select demo, new doors and windows, new storefronts, finishes, and exterior wall panels.

The anticipated construction start date is September 1st, 2021. The anticipated completion date is April 1st, 2022.

EIG Budget:

The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners and businesses make high-quality cosmetic improvements to the exterior of their property. A secondary goal of the grant is to help new and existing businesses succeed by enhancing their curb appeal in ways that might not be possible without assistance.

The Exterior Improvement Grant is for exterior work only and requires minimum leverage of 1 to 1. The maximum grant for this location (The Edge District) is \$80,000.

The total project budget for the shell and appropriate site work, including \$100,000 contingency, is \$1,705,648. The total estimated cost of construction quoted by Montgomery Martin Contractors, LLC is \$1,175,900. The eligible work to be used towards the Exterior Improvement Grant totals \$967,025.

The following budget describes the EIG scope:

Total Exterior Sources:

CCDC EIG	\$ 80,000	(8%)
Owner's Exterior match	\$ 887,025	(92%)
Total EIG Sources	\$ 967,025	(100%)

EIG Eligible Uses:

Select Demo	\$ 54,174	(6%)
Storm Drainage	\$ 10,000	(1%)
Concrete	\$ 142,920	(15%)
Asphalt Paving	\$ 20,916	(2%)
Fences & Gates	\$ 5,350	(>1%)
Retaining Wall	\$ 26,736	(3%)
Metals	\$ 29,700	(3%)
Landscaping	\$ 15,000	(2%)
Masonry & Steel	\$ 145,550	(15%)
Carpentry	\$ 17,500	(2%)
Gutters & Downspouts	\$ 2,250	(>1%)
Waterproofing & Caulking	\$ 14,342	(2%)
Doors & Hardware	\$ 57,600	(6%)
Storefronts	\$ 63,995	(7%)
Finishes	\$ 197,073	(20%)
Exterior Wall Panels	\$ 163,919	(17%)
Total EIG Eligible Uses	\$ 967,025	(100%)

Design Review: This project will be submitted for review and approval at an upcoming meeting of the Design Review Board (DRB).

EBO Program: Any project that is awarded financial incentives from the Downtown Memphis Commission (DMC) shall include a best faith effort to reach no less than 25% participation by minority and/or women owned businesses (MWBE) in the project's development cost (design and construction hard costs). Compliance with this Equal Business Opportunity (EBO) Program is a closing requirement. **If the requirements of the EBO Program are not met, the CCDC will cancel the incentive.**

Outreach & Inclusion Plan: The specific steps required for each applicant to be compliant with the DMC's EBO Program takes into consideration the size, scope of work, and development costs associated with the project. The applicant had already begun interviewing several MBE certified General Contractors at the time of submitting this application. The applicant has a clear understanding of the EBO Program and has worked with the DMC staff to identify the following key steps that will be included in their Outreach & Inclusion Plan:

- The applicant will use the City of Memphis Business Diversity & Compliance Registry and the resources at the Shelby County Office of Equal Opportunity Compliance to continue identifying qualified tradespeople to perform the needed work.
- The applicant will contact a minimum of 3 certified MWBE businesses for each trade or type of subcontractor needed, and provide each a fair opportunity to submit a bid and be considered for the work.
- Once the service providers have been identified, the applicant will submit the form titled "Proposed Utilization Plan" to DMC staff for review and approval. The applicant will also be asked to provide a full record of the outreach steps taken and the results thus far. This documentation can include items such as a phone call log, copies of emails, meeting notes, and similar materials.
- After construction has started, the applicant will provide monthly updates to DMC staff detailing the project status

and level of MWBE involvement at each major phase of the project.

Minimum MWBE Goal: With an estimated total construction budget of \$1,175,900, a 25% level of MWBE inclusion is approximately **\$293,975**.

Staff Evaluation: Staff is supportive of approving an Exterior Improvement Grant for this project. This project encourages property investment that directly relates to improving the aesthetics of buildings and places in the Edge District while also enhancing the pedestrian experience.

The proposed project helps to fill a gap of vacant space along the pedestrian network in a neighborhood currently experiencing transformative change. The new storefront materials, sidewalk improvements, and landscape additions create a safer, more walkable experience along Madison Avenue. It's location also helps to improve access and mobility between the UT campus and the rest of the activity in the Edge District.

Recommendation: **Staff recommends approval of an Exterior Improvement Grant in an amount up to \$80,000, based on approved receipts and subject to all standard closing requirements and conditions.**